



EUROPEAN
RENTAL
ASSOCIATION



Annual Report 2016

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Save the date for the next
ERA Convention in Amsterdam
2-4 May 2017



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Dear Colleagues,

In 2015, we had positive expectations on market development in rental business in Europe. In 2016, we can acknowledge that most of these positive expectations have started to materialize. The European rental market continues to grow, even though some markets in South are still facing difficult times. Both RentalTracker and ERA market report show continuous positive market improvement at the moment. There are significant variations in market penetration estimates in different countries, which should allow good growth rates in certain markets despite low overall economic growth rate.

According to European Central Banks' estimate, short-term indicators suggest continuous moderate economic GDP growth and Europe's overall economic sentiment remains above long-term average.

General construction confidence index in European countries has just recently turned above long-term average level. Construction growth estimates for coming years suggest moderate growth outlook for Central Europe, positive outlook for Nordic area, strong outlook for some countries in East and slightly weaker in South. All this should give a good platform for rental market improvement.

As for ERA, at our General Assembly in June, a new Board of Directors was elected, which will lead our association in the coming three years. The new team will build on the achievements of our predecessors and will work at making ERA an ever stronger organisation to serve our industry.

I wish to seize this opportunity to thank the members of the previous Board and, in particular, Vesa Koivula, for all the work done over the last three years. I also want to thank the members of the Committees and their companies. Without them, none of the resources of the association would be developed. Allowing representatives of our companies to work together on issues of joint interest is the best way for our industry to grow. Thank you also to the national rental associations for their support and their active participation to ERA.

Next year, the ERA Convention will take place in Amsterdam, on 2, 3 and 4 May, alongside the International Rental Exhibition (IRE) and APEX. I hope the date is already saved in your agenda and I look forward to seeing you there!

Yours faithfully,

Pierre Boels

ERA President

ABOUT ERA

The key mission of ERA is to promote the rental concept in order to foster a continued growth of the rental industry by creating an open European market, at a much larger scale than any national market.

To achieve this goal, ERA acts as the representative association of the equipment rental sector at European level, complementing the activities undertaken by national rental associations locally.

Our work focuses on 6 main areas:

- Promotion of the rental concept
- Sustainability
- Statistics on rental market
- Technical issues and equipment
- Harmonisation of national regulations
- Awareness of the challenges of the Future

ERA BOARD

- > Manages ERA
- > Gathers seven representative members covering various trades and countries
- > Is elected by the General Assembly (Chair elected by the Board)

The Board is composed of:

[Pierre Boels](#) / President

[Mark Anderson](#) / Vice President

[Xavier du Boÿs](#) / Vice President

[Leif Gustafsson](#) / Vice President

[Wolfgang Hahnenberg](#) / Vice President

[Armin Rappen](#) / Vice President

[Luis Angel Salas Manrique](#) / Vice President

ERA SECRETARIAT

- > Supports the association's daily activities
- > Supports the work of the association's Committees
- > Represents ERA in Europe and globally.
- > Carries out the association's communication activities
- > Organises the ERA's events

The Secretariat is composed of:

[Michel Petitjean](#) / Secretary General

[Hans Craen](#) / Supervisor

[Carole Bachmann](#) / Manager

[Veerle Guns](#) / Assistant

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MARKETS OUTLOOK: TRENDS AND EVENTS IMPACTING THE RENTAL INDUSTRY

RENTAL INDUSTRY TRENDS

Flashback on the Rental Industry in the second part of 2015

Loxam acquired OBM Construction, a French modular space rental business with bases in Orleans and Rochefort du Gard. OBM is a €70 million turnover company with 180 employees.

UK-based temporary power rental specialist APR Energy announced that it would be acquired by a private equity consortium in a deal which valued the company at £165 million (€229 million).

Loxam acquires the French and Spanish business of US-headquartered Hertz Equipment Rental Corporation. The transaction includes 60 locations in France and two in Spain. Loxam said the deal would increase its market share in the Paris area and the North and West

of France as well as reinforce its Spanish network.

Canadian G. Cooper Equipment Rentals seals a deal to acquire SMS Rents, a division of SMS Construction and Mining Systems. The transaction is backed by private investment company Seafort Capital.

Vp acquires electrical instrumentation and environmental specialist Test & Measurement Group for £3.95 million (€5.6 million).

Hertz Equipment Rental Corporation (HERC) has formed a franchise agreement with Iraqi company Khudairi Group for the exclusive license to provide Hertz rental equipment in the country.

RENTAL INDUSTRY TRENDS

Flashback on the Rental Industry in the second part of 2016

Hertz Equipment Rental (HERC) franchisee Mongolia Holdings has invested in one of the country's largest road construction and earth moving companies, Monroad. In return, Monroad will receive a 49% stake in Mongolia Holdings and become a wholly owned subsidiary of the company. The plan is to use the Monroad network to support HERC's expansion in Mongolia.

UK-based access rental company Quick Reach Powered Access has expanded into Scotland with the acquisition of Specialised Access from IAPS Group.

Aerial Work Platform specialist Riwal has opened its first used equipment showroom in Valencia, Spain. The 1,000 m² showroom is a response to the increasing interest in machine purchases from rental companies and traders in Spain.

French rental Kiloutou has acquired Aquiloc, a general equipment rental company in the South West of France. Aquiloc has 23 branches, a workforce of more than 150 and a fleet of about 5,000 machines, mainly mini excavators, loaders, backhoes and compactors.

UK-based rental company A-Plant has acquired GB Access, a specialist provider of hoist hire equipment. A-Plant said the company would operate as an independent business within its Specialist Products division.

UK-based Hewden has completed the purchase of lifting and materials handling company Interlift as it seeks to expand its rental capabilities. Interlift is a regional operator with depots in Middlesbrough, Hull and Glasgow.

UK-based rental company Speedy Hire has expanded with the acquisition of OHP Group, which owns companies Rail Hire and Crewe Plant Hire.

Canadian equipment rental and waste management company CERF has acquired Zedcor Oilfield Rentals. The company said the CA\$21 million (€13.7 million) acquisition would create one of the largest oilfield rental providers in Western Canada.

Alejandro Tejero, founder of the Al-Kilalo brand of small tool hire shops in Spain, has opened four rental stores inside Leroy Merlin DIY stores in the country and is in discussions with the chain to open a further five.

UK-based rental company Vp has invested £4.1 million (€5.3 million) acquiring tracked access platform rental specialist Higher Access with two locations in Burnley and Luton. Vp said Higher Access would operate alongside its specialist material handling business, UK Forks.

Temporary accommodation specialist Algeco Scotsman has agreed to merge its North American operations with Modular Space Corp (ModSpace) to create a new business owned 50/50 by each company.

German rental company HKL has branched out with the opening of its first rental depot dedicated to aerial work platforms and telescopic handlers, in Dortmund. French rental company Kiloutou has agreed to buy Germany-based aerial work platform rental specialist Starlift, a regional player in northern Germany with a network of three branches located in Hamburg, Berlin and Rostock and over 50 staff.

UK rental company A-Plant has expanded its accommodation business with a deal to take on contractor's NG Bailey's fleet.

Japanese rental giant Nishio Rental All said it has agreed to buy around 15.7 million new shares – representing 80% of voting power – in Australia-based access rental specialist Skyreach. The deal is worth €14.3 million and the companies said that, as a combined entity, they ranked worldwide as one of the top ten aerial work platform rental companies.

Finnish rental company Ramirent has reached an agreement with contractor NCC Roads (also based in Finland) to supply a range of equipment to support its road building projects.

Australian online rental database iSeek-plant has been 25% acquired by Seven Group Holdings, which is also a majority investor in Australian rental company Coates Hire.

UK rental company Vp has acquired Australian test and measurement specialist TR for AU\$17.1 million (€11.5 million). TR operates from 13 locations in Australia, New Zealand and Malaysia.



RENTAL INDUSTRY TRENDS

In the meantime, innovation and development continue among the equipment manufacturers

Caterpillar announces in the autumn 2015 decisive actions to address revenue shortfall. The company said the changes reflect recent, current and expected market conditions in key regions and industry sectors, namely mining and energy. It said also that this would be the first time that the company's revenues would have decreased in four consecutive years. This "significant" restructuring programme was aimed at saving around \$1.5 billion a year.

Manitou Group has officially opened a new subsidiary, Manitou Middle East, based in Dubai. The offices are located at JAFZA, Jebel Ali Free Zone, and will provide all technical and commercial functions, including training, in house.

UK-based manufacturer Blount has agreed to be acquired by an investment consortium in a US\$855 million (€787 million) deal. Blount, which owns the ICS chainsaw brand among others, has been bought by American Securities and P2 Capital Partners.

Federal Signal Corporation has sold its fire service and industrial truck mounted platform business Bronto Skylift to Japan's Morita Holdings Corp. Morita will pay €80 million for the company. Finland-based Bronto is the only remaining operation in the US-based Federal Signal's Fire Rescue Group and on completion of the

transaction, the Fire Rescue Group should be closed.

Sweden-based Atlas Copco has agreed to acquire Varisco, an Italian pump manufacturer with a global sales network. Varisco is based in Padua near Venice, Italy, and had revenues of €30 million in 2014.

Chinese aerial work platform manufacturer Zhejiang Dingli Machinery CO. (Dingli) has spent €14.4 million to purchase a 20% share in Italian telehandler manufacturer Magni. Dingli has also been appointed as Magni's exclusive importer and distributor for all Magni products in China.

Manitou group has opened a new facility in Malaysia. Manitou has been present in Malaysia for 20 years and wants to double the capacity of its operations in the country within three years. It wants to triple the number of telescopic handlers, reaching a 50% market share in this segment.

Zoomlion has abandoned its plans to acquire US crane and construction equipment manufacturer Terex Corporation. The previously announced acquisition of the Terex port crane business by Konecranes can now proceed. The US\$1.3 billion (€1.15 billion) deal for the Terex Material Handling and port Solutions (MHPS) is expected to close in January 2017.

ERA ACHIEVEMENTS 2016

In 2016, ERA is celebrating its 10th anniversary. 10 years ago, in January 2006, 30 companies agreed on the same idea that a European association was needed. With these 30 companies, ERA was established and today 100 companies or associations are members.

So what has been achieved during those years, and especially during the last year?

ERA, the European Rental Association, was created in 2006 to promote the rental concept in order to facilitate a continued growth of the rental industry by creating an open European market, at a much larger scale than any national market.

It has also included the defence of the industry at European level through contacts with other European associations and with the European authorities, the publication of guidance on the production of safety instructions and the production of a framework for general rental conditions, which can be used by rental companies and associations for their own rental conditions.

ERA acts as the representative association of the equipment rental sector at European level, complementing the activities undertaken by national rental associations locally. ERA has also been helping foster the development of new rental associations, with the emergence of rental associations in new markets. The most recent is the Polish Rental Association (PRA), created in June 2015.

ERA is one of the seven members of the Global Rental Alliance, a partnership of rental associations whose aim is to increase the profile of equipment rental worldwide and to build global understanding of the industry.

At the beginning of 2016, ERA decided to develop a Future Group, made of managers issued from younger generations and providing their thoughts and vision on strategic issues. The philosophy supporting this approach is that, in this rapidly changing world and the digital revolution, younger people have certainly a different view than older people.

On the following pages you will find a detailed account of the activities of the ERA's various committees.

ERA's work focuses on 4 main areas:

- **Promotion** of the rental concept, as a solution for cost saving and sustainability concerns,
- **Equipment**,
- **Statistics** on rental market, prepared in association with IHS Global Insight,
- **Sustainability**.

PROMOTION

COMMITTEE CHAIR: **Fiona Perrin, HSS Hire**

The key mission of the ERA's Committee on Promotion is to promote the concept of rental in Europe. Over the years, the Committee has developed many tools our members can use in their own communication, such as the "Rent vs. Buy Calculator" or the Discover Rental guide that was made to explain the benefits of rental to any person not familiar with our industry.

In 2016, the Committee continued its work with the PR agency and 2 campaigns were launched. The first one, following the communication of the action plan on circular economy by the European Commission, linked the rental concept with the Circular Economy model,

promoting that renting is fundamentally sustainable and sits at the very heart of a successful European Circular Economy.

The second PR programme was around the launch of the ERA's Equipment Total Cost of Ownership Calculator ("TCO Calculator").



TCO CALCULATOR

The equipment **TCO Calculator** is the result of the study started in 2014 on assessing the potential of rental of heavy equipment. This study was carried out by an MBA students' team from the Solvay Brussels School of Economics & Management (Belgium) and was concluded in 2015, providing ERA with a comprehensive calculator to calculate the Total Cost of Ownership for heavy equipment as well as for compact equipment and, optionally, to compare it with a rental solution. The Promotion Committee decided to deliver this tool online on a dedicated website, <http://equipmentcalculator.org/>, and app.

This calculation model is a tool for determining the TCO of any construction machinery. It does not replace the "Rent vs. Buy Calculator", which has been renamed "Rent vs. Buy Decision Maker" and is used to compare the cost of rental versus the cost of ownership over a defined period, day, week or month.

TCO CALCULATOR APP

Available on Google and on Apple.



3 STEPS TO CALCULATE THE EQUIPMENT TCO



1) Investment related inputs

- Purchase cost
- Inflation rate
-

2) Operation related inputs

- Hourly labour cost
- Bucket replacement frequency
-

3) Divestment related inputs

- Gross selling price
- Make ready costs
-

STATISTICS

The overall aim of the working group is to produce European-level market data on construction equipment rental markets using consistent definitions and methodology across countries.

The Statistics Committee partners with IHS Global Insight - the same provider used by ARA to produce well-established market standard data in the USA.

Commissioning market research does not simply mean handing the task over to a market research partner. The committee is closely involved in issues of scope, definition, methodology and format of outputs at every step of the way with the research company.

HIGHLIGHTS OF SOME OF THE KEY FINDINGS IN THE ERA MARKET REPORT 2015 INCLUDE:

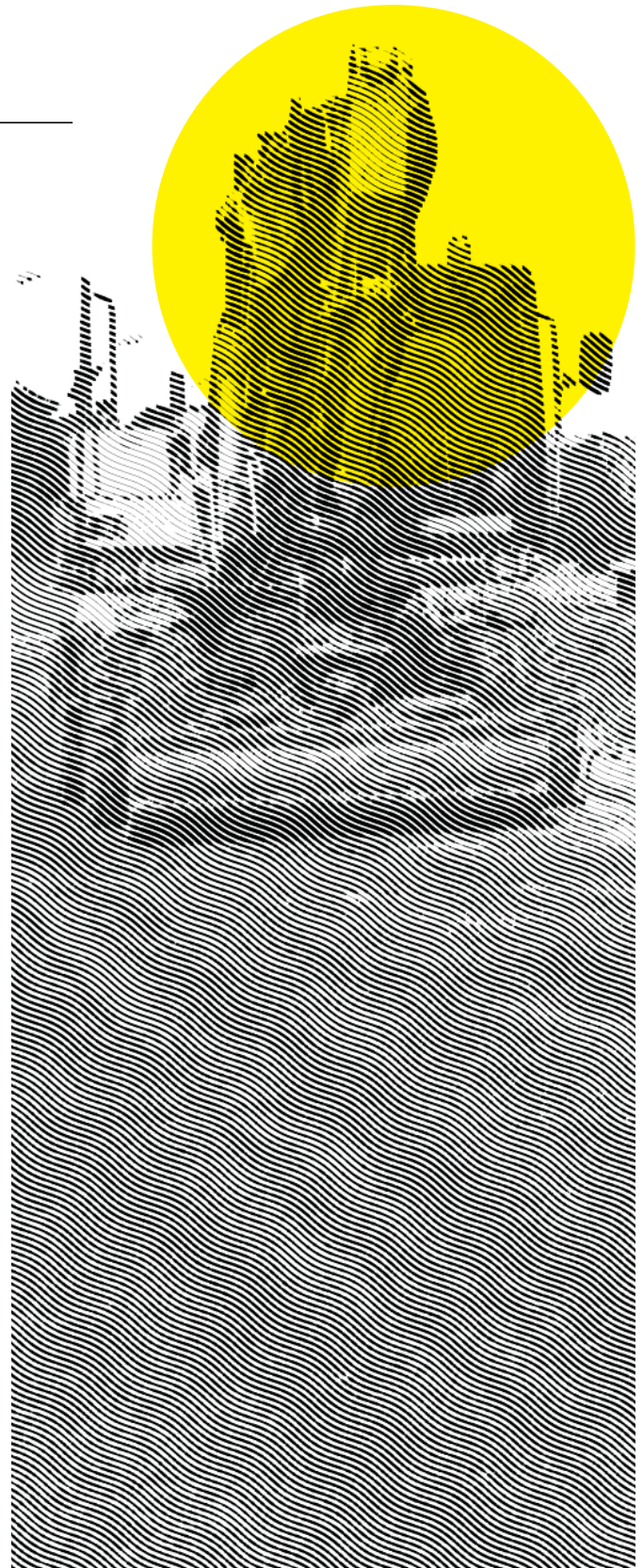
> IN 2014, THE TOTAL SIZE OF THE EUROPEAN EQUIPMENT RENTAL MARKET (WITHOUT OPERATORS) WAS ESTIMATED AT €23.06 BILLION, AT CONSTANT EXCHANGE RATES, REPRESENTING AN AVERAGE INCREASE OF 1.9% OVER 2013.

> THE 2015 ESTIMATE IS SHOWING AN INCREASE OF 1.4% OVER 2014 AT CONSTANT EXCHANGE RATE.

> THE LAST 2016 FORECAST ESTABLISHED IN MAY 2016 IS SHOWING AN INCREASE OF 1.0% OVER 2015 AT CONSTANT EXCHANGE RATE.

> BASED ON 2012 STATISTICS, AND FOR THE 14 COUNTRIES COVERED UNDER THE STUDY, THE STRUCTURE OF THE EUROPEAN EQUIPMENT RENTAL INDUSTRY (WITHOUT OPERATORS) IS AS FOLLOWS:

- NUMBER OF RENTAL COMPANIES: 15,100
- NUMBER OF EMPLOYED PERSONS IN RENTAL COMPANIES: 127,700



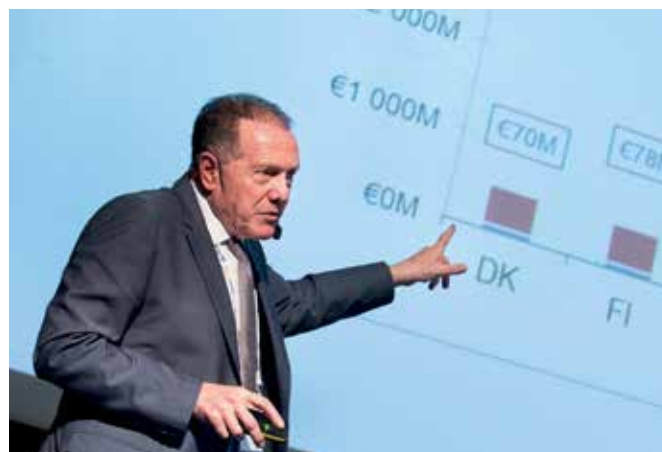
STATISTICS

OUTPUTS

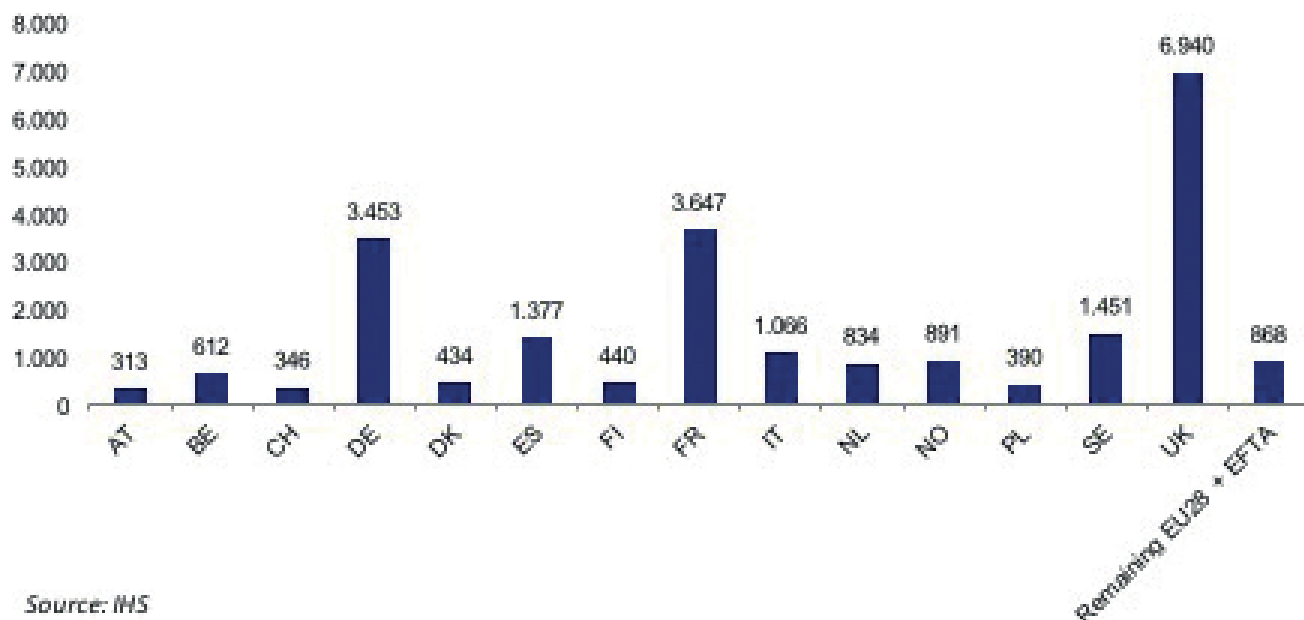
EQUIPMENT RENTAL MARKET SIZE BY COUNTRIES IN 2014:

In terms of market size, in 2014, the three main markets are still the United Kingdom, France and Germany, with respectively € 6.940 billion, € 3.647 billion, and € 3.453 billion.

These three countries accounted for almost 65% of total rental turnover of the 14 European countries detailed in our report, and more than 60% of EU-28 and EFTA countries' total rental turnover.



Total Turnover 2014 [million Euro]

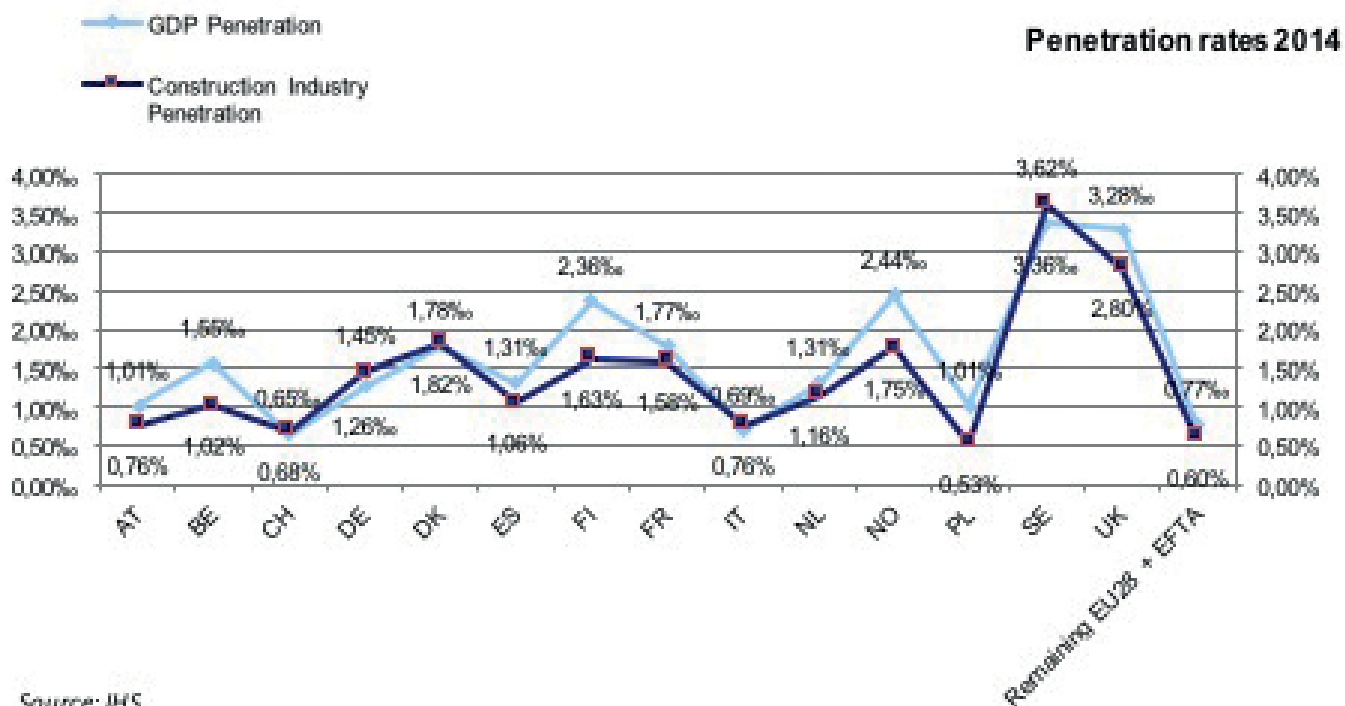


STATISTICS

PENETRATION RATES:

Average construction industry penetration in the 14 countries in the report in 2014 is +1.55%, significantly above the remaining EU28 + EFTA countries average penetration of +0.60%, and average GDP penetration, with +1.71‰ for the 14 countries, significantly above the remaining EU28 + EFTA countries average penetration of 0.77‰. Once again there are significant differences in penetration even within the 14 countries.

Looking at the two concepts of Construction Industry penetration and GDP penetration, and at the differences of penetration intensity between countries, suggests that there is still room for the European rental market to grow ahead of the economy (particularly for those less well performing countries).



STATISTICS

2016 REPORT DEVELOPMENTS

- **ADDITIONAL COUNTRIES:** After adding in 2015 Switzerland and Austria, the 2016 Market Report will add one more country, the Czech Republic, bringing the total number of detailed studies to 15 countries.
- **SPECIAL FOCUS NORDIC COUNTRIES:** After the work done in the UK, in France and in Germany, a similar methodology will be applied to the specifics of each of the 4 Nordic Countries.
- **US SUMMARY:** This is a straightforward addition of the summary of the main findings of the ARA, American Rental Association, as included in their annual report.
- **EUROPEAN ACCESS INDUSTRY:** This is a comparative analysis with the findings of IPAF, the International Powered Access Federation, as included in their annual report.

Schedule 2016: Report to be published mid October

GLOBAL RENTAL ALLIANCE SURVEY

There is a consensus among the members of GRA (Global Rental Alliance including the USA, Canada, Brazil, Europe, Australia and New Zealand) to share a total revenue number of US\$ 77 billion for fiscal year 2014. This figure represents a 2.7% increase over 2013 rental revenues, as calculated by IHS Economics on behalf of the group.



SUSTAINABILITY

COMMITTEE CHAIR:

Franciska JANZON, Ramirent

ERA's Committee on Sustainability is aimed at supporting the rental industry in promoting the environmental benefits of rental as well as in developing tools for helping members to respond to requests from customers and aligning practices in the industry where relevant.

The rental business meets at least 3 areas of Sustainability:

- Environmental: environmental footprint is reduced when different people use the same machines, thereby maximising utilisation,
- Social, through safety consultation and regulation compliance,
- Financial, minimising assets and improving cost control.



Resource efficiency and circular economy are major topics of today and the near future. In order to deal with scarcity of raw materials and other resources, our society needs to look for ways to “close the cycle” in our economy and to prevent valuable raw materials to go to waste.

If the shift from ownership of goods to access to goods is remarkable in many situations of our everyday life (car sharing systems, city-bicycles, etc.), it is even more relevant for professional equipment: rather than everyone buying its own machines, availability of rental equipment when it is actually needed is more efficient and sustainable.

Therefore, the rental industry plays a key role in the transition to a sustainable economy.



SUSTAINABILITY

ERA aims at making it easier for its members to show their customers that rental is the only sustainable option and that sustainability leads to lower costs and, for itself, to convince the European and national authorities that rental should be promoted as being the sustainable solution.

The first achievement of ERA in terms of Sustainability was the “Sustainability in the Rental Industry” brochure, published in 2010.

In 2014, the Committee decided to mandate an external consultant, Schuttelaar & Partners, in order to continue to build ERA’s Sustainability Story and to implement a Sustainability strategy for ERA.

The survey highlighted that many smaller rental companies perceive that a sustainable business policy requires major investments but doesn’t bring much added value towards their customers, which remain price focused. The survey also identified a “Europe at 2 speeds”, with the Northern companies increasingly investing to reduce the environmental impact and the Southern companies still focusing on other priorities.

As a second step, a regulatory audit was carried on and identified EU legislation that affects the rental sector in relation to Sustainability.

Following this study, ERA identified two major objectives and implemented corresponding action plans.

Action towards the SMEs:

ERA decided to focus on helping SMEs to implement practical and affordable practices that will benefit them as well as their customers. ERA organised a workshop on “Sustainability in the rental SMEs” for the national associations in February 2016. This workshop identified some sustainability related issues rated in terms of importance to the SMEs themselves and to external stakeholders. Following this workshop, the Sustainability Committee decided to use an existing graph, established by McKinsey, and to enrich it with examples from the rental industry. This graph outlines the various ways that companies can use sustainability initiatives to manage risk, drive growth, or improve returns on capital.

Companies are pursuing sustainability in a way that creates value.



Source: Sheila Benini and Stephan Görner, "The business of sustainability: McKinsey Global Survey results," Oct 2011, mckinsey.com

SUSTAINABILITY

Promotion of the rental business towards the European authorities:

ERA has taken actively part in the discussions around the Circular Economy Package. On the 2nd of December 2015, the European Commission published the Circular Economy Package. It includes several initiatives towards a Circular Economy and is accompanied by legislative proposals.

The objective of a circular economy is to maintain the value of products, materials and resources in the economy for as long as possible, while minimising the generation of waste.

ERA promotes the fact that the rental business is contributing to the transition to the Circular Economy and has met with representatives of the European Commission, the European Parliament or the Permanent Representations in Brussels.

ERA wrote 3 position papers and published a Manifesto "for the promotion of the sustainable benefits of the rental concept".

Late 2015, ERA published the ERA Sustainability Online Brochure, http://sustainability.erarental.org/sustainability_in_the_rental_industry/.

The brochure, like the paper versions issued earlier in 2015, presents a dynamic set of best practices on sustainability in the rental industry, categorized according to their role in the supply chain. The users can navigate depending on their category

(rental company, customer, public authority).

The brochure is regularly updated with new best practices coming from European rental companies.



TECHNICAL COMMITTEE

COMMITTEE CHAIR:

Martin SEBESTYEN, Zeppelin Rental

The ERA's Technical Committee (formerly known as Equipment Technology Committee) gathers representatives of rental companies and equipment manufacturers. Together, they aim at progressing on issues of common interest where better cooperation between rental companies and manufacturers can help solving concrete issues for mutual benefit.

Its mission statement is: "Making it safer, easier and cost effective for the rental industry by working together with equipment stakeholders on:

- the key drivers of the total cost of ownership (damages, accidents, maintenance, etc.),
- standardisation wherever possible (telematics, decals, compaction, etc.),
- simplified instructions manuals and training (operation, maintenance, safety, e-learning),
- parts management and key drivers of repair and maintenance total costs,
- new legislations impact on rental industry."



*This guidance document has been drafted by the
European Rental Association's Committee on
Equipment Technology*



The very first work of the Committee was the publication of the "Key Drivers of the Total Cost of Ownership", a guidance document representing a common understanding among the rental companies and the OEMs of the drivers influencing the total cost of ownership of equipment throughout the three main phases of the lifecycle of equipment: acquisition, operations & maintenance, divestment.

A survey was conducted in 2012 among the rental companies to identify:

- the most common damages to rented equipment caused by inexperienced users,
- the most common accidents caused by inexperienced users,
- the categories of equipment "under-maintained" most by customers when rented out,
- the most frequent reported issues in service calls,
- the type of information on Operations, Maintenance and Safety the rental companies believe their customers would like to receive.

To build on the results from the survey, the Committee organized workshops at BAUMA 2013 with experts from rental companies and OEM's to analyse and research how accidents and damages can be best reduced for construction and access equipment.

TECHNICAL COMMITTEE

As a follow-up on these workshops, the Committee assessed 27 issues to be graded by:

- business impact for the rental companies,
- risk for personal injuries during usage.

To allow an in-depth analysis of the issues identified in those works, the Committee decided to organise face-to-face meetings between representatives of rental companies and representatives of a selected manufacturer on a confidential basis. The first five ones took place during the Committee meeting of October 2014. Intermat 2015 offered the opportunity for a new round of 10 face-to-face meetings. And 12 additional face-to-face meetings were organised during BAUMA 2016. The topics addressed during those meetings were:

- tie down and lifting points,
- simplified instructions / quick guide,
- optimisation of maintenance intervals,
- telematics solutions.

In depth discussions about findings will be pursued between rental companies and OEMs at the next committee meeting in October 2016. It has already been agreed within the Committee that the face-to-face meetings will take place twice a year and that the OEMs will only participate if they have something new to present. This will ensure a faster and better communication.

Among the topics the Committee would like to work on in the coming months, two are of priority:

- spare parts analysis,
- preventive maintenance of equipment (review of the maintenance instructions and intervals, of the guarantee policy, etc.).



NATIONAL ASSOCIATIONS

COMMITTEE CHAIR: Kevin MINTON, CPA

The Committee was created in 2013, as a continuation of the former Norms and Safety Committee, who later became the EU Affairs Committee, and of the Association Day. It is composed of the representatives from the national rental associations that are members of ERA.

This Committee is the platform for the associations to meet and exchange and also for them to think about how to improve the rental business in general. It focuses notably on safety issues, attracting talents to the industry and all issues relevant to the national associations.

It is also keeping up-to-date the list of EU issues and EU organisations of relevance to the rental industry, initially identified by the EU Affairs Committee.

After reviewing an exhaustive list of the EU issues, the Committee has decided to pay particular attention to the following ones:

- **Engines Regulations,**
- **Noise of equipment in outdoor use,**
- **Compliance of equipment,**
- **Cross-border transportation of equipment,**
- **Inspection of Work Equipment,**
- **Operator licences and training,**
- **Instruction manuals,**
- **Equipment theft.**

All these issues are followed either by the National Associations Committee or by the Technical Committee or the Sustainability Committee.

As a consequence of the findings of the Sustainability Committee about the difficulties for the SMEs to consider Sustainability as a priority, it was decided to involve the national associations in this topic so that they can motivate their members to put Sustainability more central in their business approach. A workshop on "Sustainability in the rental SMEs" was organised for the national associations in February 2016. This workshop identified some sustainability related issues rated in terms of importance to the SMEs themselves and to external stakeholders.

ERA is also in touch with various European organisations. First on the list is the European Commission. In particular, ERA is very involved in the discussions about the Circular Economy Package.

On top of that, ERA is a partner of critical stakeholders associations in Brussels like CECE, FIEC and Leaseurope.



FUTURE GROUP

As it is observed more and more in the larger organisations, ERA has decided to gather some managers from rental companies and issued from younger generations in a group called "ERA Future Group".

The philosophy supporting this approach is that, in this rapidly changing world and the digital revolution, younger people may have in certain strategic areas a different view than older people.

The objective is that they provide their thoughts and vision on strategic issues.

Particular attention will be brought as to the sharing of the findings with the industry at large and, in priority, with the national rental associations.

The first meeting took place in January in Brussels. Around 15 managers, representing different companies, different countries, different functions, with an average age of 35, participated. A second meeting took place in May. During those 2 meetings, the Fu-

ture Group identified some possible priorities, split between:

- **Customers,**
- **People,**
- **Technology.**

The next meeting in September will be the opportunity to deeply discuss the issues and organise the work of the Group.

Since the Future Group was involved in the workshops organised during the Convention, they will also review the findings of each of them and take some actions, coordinated with the other committees.



ERA CONVENTION 2016

The theme of the 11th Convention, which took place in Stockholm (Sweden) on 8 and 9 June 2016, was "The next 10 years" and featured a number of keynote addresses and workshops. The European Rental Awards Dinner took place at the same venue, on 8 June. On 7 June, an anniversary dinner was organised at the Vasa Museum (Stockholm). This dinner was reserved to the ERA members and celebrated the 10th anniversary of ERA.



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PLENARY SESSION *



Gérard Déprez - The first ten years of ERA

Gérard Déprez is the founder of ERA and was the first President of ERA, from 2006 to 2013. He is also President of Loxam, the largest rental company in Europe. Gérard comment-

ed the first 10 years of ERA, from the day of September 2005, when he proposed the creation of a European Rental Association, to June 2016. In September 2005, there was no European rental market: rental was still a rather new concept, with heterogeneous regulations throughout Europe, and remained mostly a local market with very few truly European companies. Gérard reminded the guiding principles of ERA at its foundation:

- Promoting the rental concept,
- Implementing statistical data,
- Lobbying at European level,
- Setting up tools to meet business challenges.

He noted that, 10 years after, a European market has finally emerged and that ERA today is the Voice of the European Rental Industry.



Egbert de Jong - Circular Economy & Business Models Opportunities

Egbert is Vice President Product Development & Life Cycle Asset Management at DLL, De Lage Landen International B.V., and leads the company's Life Cycle Asset

Management initiatives to support manufacturers and end-customers exploring new circular economy service and usage based business models. He exposed some important global trends affecting our industry. Population growth (9 billion people on our planet in 2050) demands better use of resources, including recycling driven by resource scarcity. It also means the growing importance of value-added services. What matters will be how that asset is employed and how we help customers use it in the most efficient way. For the customers, increasingly, the important issue is not owning assets but using them. The demand for responsible business practices is increasing. In line with and/or in response to customer expectations, businesses are being forced to use more green technology. Digitalisation is one of these trends: rapid changes in technology are opening up a world of new possibilities.



Presentations available on the ERA website, www.erarental.org

PLENARY SESSION



Rob Messina - Emerging Technologies & Potential Applications

Rob is Senior Vice President, Engineering & Technology, Chief Technology Officer at Oshkosh Corporation, JLG Industries' mother company. Noting that 88% of construction accidents are caused by human error, Rob took the

audience on a journey into the future, in many ways the very near future, to discover how technology will make the equipment industry safer and more effective.



Christina Lindbäck - Rental expectations in construction

Christina is senior vice president and Head of Group Sustainability for the NCC Group, a leading construction company in the Nordic region. Christina addressed the expectations of the rental customers towards the rental

industry. NCC's vision is to renew the construction industry and provide superior sustainable solutions and they expect from the rental companies to partner with them in achieving those goals.



Michel Petitjean – Trends in the European Rental Industry

Michel Petitjean presented the trends in the European Rental Industry. After having commented the macro trends on construction and rental markets in Europe, Michel delivered the highlights of the 2015 ERA Market Report, including the focus on the UK, French and German rental markets. He presented the forecasts updated as of May 2016 and introduced the 2016 Report's developments.

GUEST SPEAKER



Kjell A. Nordström

Kjell A. Nordström describes himself as “the interpreter of the new world of business”. He speaks to audiences all over the world, writes books and articles and reads.

In a very dynamic style, Kjell shared with the attendees his vision of the near future and what it holds for the human race and civilisation. He sees a silent revolution, spearheaded by cities and women. He mentioned that, in a very near future, 2/3rd of the population will be located in the 600 largest cities. By 2025 already, those cities will account for 65% of all the goods and services produced in the world.

Kjell also described the “liquid fear”: the world has never been safer than today but we have the impression that “we live on a planet full of shock, fear and anxiety”.

He spotted the need for new, non-digital competences, for wild knowledge that cannot be taught at universities.

WORKSHOPS *

For the first time, ERA organised 3 workshops during the Convention, with the objective of getting a more interactive participation of the attendees and of collecting useful feedback from the members of the association. All the workshops were related to Committees and were moderated by the corresponding chairman or -woman. After having listened to 2 presentations, each workshop split in groups of 10 people and each group debated on a question related to the future of the rental business.

After the break, the moderator, Nadine Dereza, and the 3 chairman- and women wrapped up the workshops in a plenary session.

MARKETING & DIGITALISATION – New generations and attractiveness of the industry

Gian Luca Benci, Managing Director at Alias srl, presented the newly launched equipment TCO calculator website. After his presentation, the participants of the workshops could choose between the following questions:

- What does the industry need to do to embrace the digital transformation?
- How do we attract and keep younger talent in this digital world?



*Presentations available on the ERA website,
www.erarental.org*

WORKSHOPS

TECHNICAL & EQUIPMENT

After a presentation of Christian Sonnevile, Manager Key Account Europe at Ritchie Bros Auctioneers, on the topic "Life after Rental", the 2 following subjects were proposed to the attendees:

- The Future of Equipment: fleet managers vs. suppliers (who will, in the future, initiate the changes in equipment: the manufacturer, the rental company, the end user?)
- What benefits can be reached using Big Data in the rental industry?



SUSTAINABILITY & PROFITABILITY – How to reach for sustainable success and growth for a rental company?

Hans Odink and Tim Hermans from the company Dynamics Software presented how "Sustainability boosts profitability and drives your business the next 10 years" and finished with an interview of Margien Storm van Leeuwen, manager New Business, Marketing & Communication, at Bredenoord.

The attendees then had to work on identifying sustainable examples, in the rental industry, applicable to growth, risk management or returns on capital, and to prioritise them according to their importance in value creation.



EUROPEAN RENTAL AWARDS



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SILVER SPONSOR



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LARGE RENTAL COMPANY of the Year (turnover over €15 million)



WINNER >> Riwal (The Netherlands)



2015 was an important and successful year for Riwal. It rolled out its new lean operating system, the Riwal Way, and was active across multiple fronts: creating an online account management tool, developing electric versions of booms for special applications and opening new locations in five countries.



Large Rental Company of the year (turnover over E15 million)



SHORTLISTED >> A-Plant (UK)

A-Plant had a fantastic 2015, including substantial growth in revenues and profits, £120 million investment in its fleet, six acquisitions and the completion of 4,500 training days for its staff.



SHORTLISTED >> Loxam (France)

Loxam, in difficult home market conditions, nevertheless managed to adapt and grow. It improved its EBITDA margin, focused on growing its international operations, acquired Hertz' European business and made a strategic investment in Brazil.



SMALL and MID-SIZED RENTAL COMPANY of the Year (turnover under €15 million)



WINNER >> Crestchic Ltd (UK)



An established manufacturer of loadbanks for 30 years, Crestchic entered the rental market in 2013 and has been remarkably successful in creating a rental business in Europe and Asia.

It grew its rental revenues by 10% in 2015, added new specialist product, and diversified its business into new markets in response to the slowdown in oil and gas. The company has been both innovative and quick on its feet.



SHORTLISTED >> Drial (Poland)

Drial has become one of the market leaders in pump rental in the country in just four years.



SHORTLISTED >> Echo Barrier (UK)

Echo Barrier has pioneered the manufacture and rental of noise reduction barriers for construction sites.



SUSTAINABLE BUSINESS INNOVATION IN RENTAL



WINNER >> Kiloutou (France)



Initiatives last year included providing customers with a carbon footprint calculation on all invoices, a hazardous waste recycling procedure co-developed with partner Veolia and new processes with partner Ecologic to ensure that machines at the end of their life are properly recycled. Kiloutou has been pursuing a sustainable rental agenda for more than 15 years and is one of the pioneers of sustainability in the rental industry in Europe. Its sustainability practices span many aspects of its business, from apprenticeships and share ownership programmes for staff, to strategies for waste recycling and efficient logistics. The company takes sustainability seriously, and adopts strategies across every aspect of its business.



SHORTLISTED >> Hewden (UK)

The company invested £2 million in a sustainable business depot that will act as a model for all future Hewden locations. The site includes rainwater harvesting, recycling wash bays and incorporates lean production processes, making the site more efficient, safer and less wasteful.



SHORTLISTED >> Loxam (France)

In 2015, the company achieved a rating of 3 on a scale of 5 for the ISO 26000 standard on corporate social responsibility, which means Loxam's performance was assessed as 'mature'. Loxam was the first equipment rental company in the world to gain this level. It became a member of the UN Global compact, pledging to adopt 10 key principles on CSR, and renewed its compliance with the ISO 14001 environmental standard.



RENTAL PRODUCT of the Year

WINNER >>

EL & Site (MBerg LED-light)

The MBerg is a low voltage site light that requires almost zero maintenance, can be used in tough conditions, suitable for use in a wide range of environments.

Its low voltage and excellent heat distribution means they are safe to use and a high energy efficiency reduces the CO2 footprint, making them a 'green' choice.

The MBerg may be small, but it is a product that is perfect for rental.



HIGHLY COMMENDED AWARD >>

Wacker Neuson (WL20e wheeled loader)

WL20e wheeled loader is an electric powered version of its diesel model that offers the same performance and can be used indoors and out.

By listening carefully to what the market was requesting, this manufacturer has developed a product that will enhance rental for indoor applications.





Rental product of the Year

SHORTLISTED >> Genie (Z-33/18)



The Z-33/18 is an articulated boom, a machine weighing just 3.6 tonnes and with a working height of 12 metres and out-reach of 5.6 metres.

SHORTLISTED >> HH-Intellitech (GlasLift 550 Terrain)



The GlasLift 550 Terrain is a second generation of its panel lifting machine with added rough terrain capability and 100 per cent parallel lifting.

SHORTLISTED >> Holland Lift (HL-330 E14 scissor lift)



The electric HL-330 scissor lift has a 33 metre working height, making it the highest scissor lift in the world, and yet is just 1.4 metres wide.



ERA / IRE RENTAL PERSON of the Year



WINNER >> Sat Dhaiwal (A-Plant)

Sat has proven to be a distinguished rental leader and last year was a notably successful one for his company. Financially, its revenues grow by almost 17%, with operating profits rising by 45%. It made multiple acquisitions during the year - expanding its specialist businesses such as powered access, accommodation and climate control.

Sat has a strong personal commitment to staff development. His company has one of the most active apprenticeship schemes in the industry and during 2015 it made its largest ever investment in apprentices, taking on 103 new trainees, of which a quarter were female. The company provided almost 5,000 training days for its employees in 2015.

This focus on training reflects his own background in the industry: he began his career in rental as a fitter aged 16 and he joined his current company in 1992 aged 22.

Sat has been CEO of his company since 2002. And in addition to his leadership role he has remained very active in winning and retaining important contracts. Last year he helped secure rental deals with Skanska, Kier, Bouygues and others.



LIFETIME ACHIEVEMENT Award



WINNER >> Christine Wehrman

Christine is CEO and executive vice president of the American Rental Association (ARA). She will retire later this year after sixteen years at the top of one of the most influential organisations in the worldwide rental industry. She leaves her organisation in extremely good health. It has record membership levels, is acknowledged as an authoritative source of rental statistics and has maintained and expanded the status of its annual trade show as a global meeting place for the industry.

In her time as CEO, she has steered the association through a period of dramatic industry consolidation, retaining its traditional strength among the many thousands of small and medium sized companies that are its members, but also making it relevant to the large national players. Under her leadership, the association has had a positive influence on government decisions that impact on rental and been a tireless advocate on behalf of its members.

Christine has also helped forge greater links in rental worldwide through the Global Rental Alliance, the umbrella organisation for rental associations worldwide, which is administered by ARA.





EUROPEAN
RENTAL
ASSOCIATION

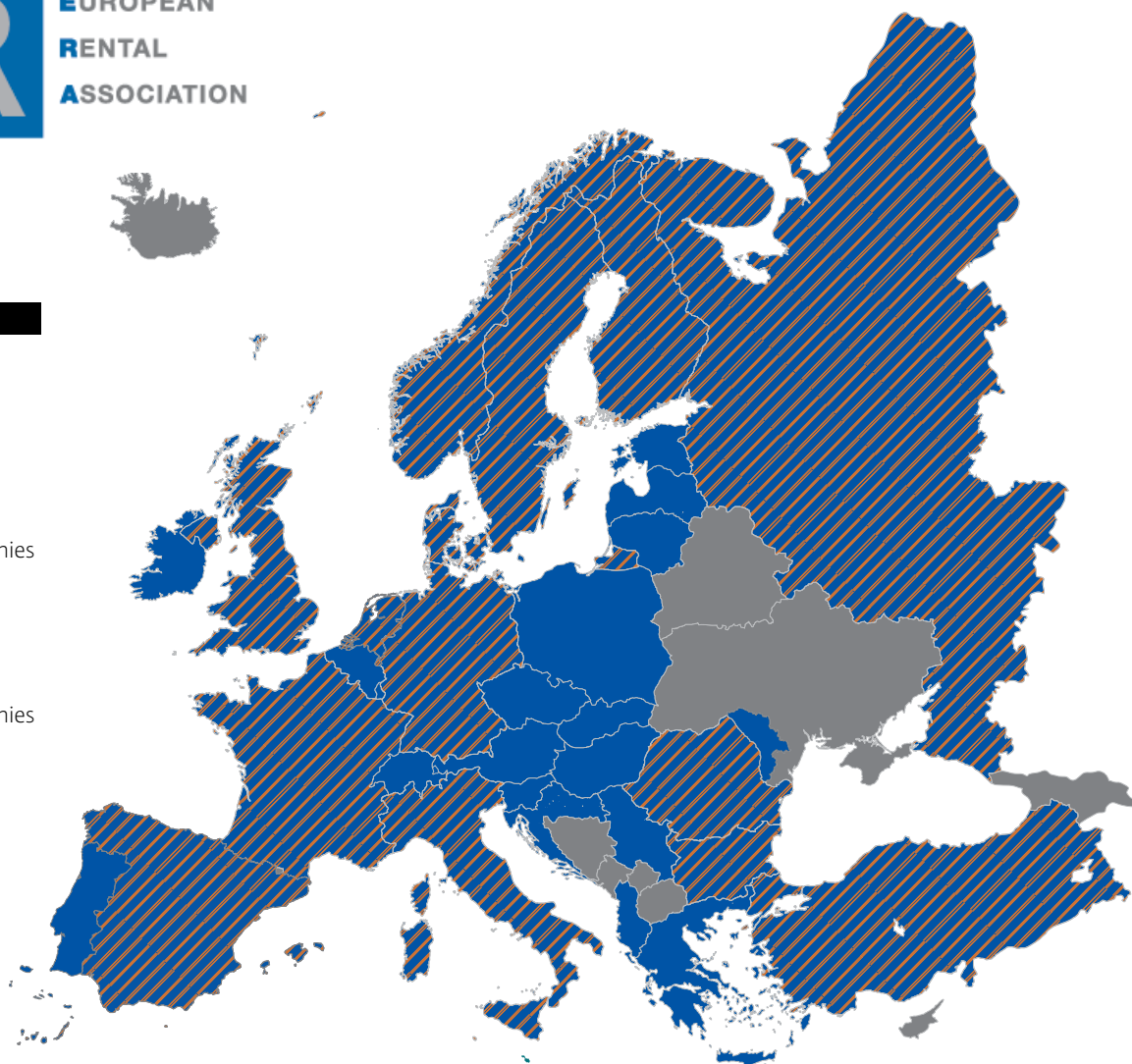
LEGEND



National Rental
Association +
Individual companies



Individual companies



ERA MEMBER COMPANIES OPERATE IN ALMOST ALL COUNTRIES IN EUROPE

Find out which companies operate in your country at www.erarental.org

ERA MEMBERS: NATIONAL RENTAL ASSOCIATIONS (AS OF AUGUST 2016)

DENMARK / Danish
Rental Association

FINLAND / TKL

FRANCE / D.L.R.

GERMANY / BBI

ITALY / ASSODIMI

NORWAY / Norwegian
Rental Association

RUSSIA / NAAST

SPAIN / ANAPAT / ASEAMAC

SWEDEN / Swedish

Rental Association

TURKEY / IMDER

UNITED KINGDOM / CPA / HAE

INTERNATIONAL ASSOCIATION /
IPAF

ERA MEMBERS: RENTAL COMPANIES (AS OF AUGUST 2016)

BELGIUM /

Atlas Copco Portable Air
TVH

BULGARIA /

Stroyrent

CZECH REPUBLIC /

Johnny Servis

FINLAND /

Cramo

Ramirent

FRANCE /

Acces Industrie

Chambault

Kiloutou

Loxam

GERMANY /

HKL Baumaschinen

Hotmobil

Jungheinrich

Liebherr Mietpartner

Wacker Neuson

Zeppelin Rental

ITALY /

Nacanco

Venpa

PORTUGAL /

Machrent

ROMANIA /

Industrial Access

SPAIN /

HUNE

SWITZERLAND /

Avesco

THE NETHERLANDS /

Aerzen International Rental

Baker Corp International

Boels Verhuur

Bredenoord Aggregaten Verhuur

Energyst

Peinemann Holding

Riwal Hoogwerkers

UNITED KINGDOM /

Ashtead Group

GAP Group

Hewden Stuart

HSS Hire

Lavendon Group

Red-D-Arc Welderentals

VP PLC

ASSOCIATE MEMBERS

Ammann France

Annata

Armada Dynamics

Atlas Copco Portable Air

ATN

BBA Pumps

Brendon Powerwashers

CASE Construction Equipment

Caterpillar

Containex

Dantherm Air Handling

Datntag ID

DEIF

Doosan Benelux

Euro Auctions

Eurogate International

Firefly

GENERAC

Genie Europe

Haulotte Group

Hilti

Hinowa

Hitachi Construction Machinery

inspHire

IronPlanet

JCB

JLG Industries

Kaesser Compresseurs

KHL Group

Klickrent

Liebherr France

Manitou

MCS Italy

NJ Froment

Ritchie Bros. Auctioneers

Roesler Software Technik

Skyjack UK

Smartequip

Snorkel

Sumner Manufacturing

Swepac

Sycor

TORO Europe

Trackunit

Volvo CE Europe

Wacker Neuson

Yanmar

AVAILABLE OCTOBER 2016!

Get the most comprehensive data available on
the European Rental Industry

The **ERA Market Report 2016** gives you the most comprehensive data currently available on the European Rental Industry.

The Report contains a country-by-country analysis over 15 European countries (1 additional countries compared to 2015), **detailed market size information for the years 2012-2015** and key ratios among which fleet size and investment as well as penetration rates.

After focussing on the validations of the UK rental market in 2013, of the French market in 2014 and of the German market in 2015, the 2016 report puts emphasis on the Nordic countries markets, validating the size of the equipment rental markets and giving additional information on the markets structure.

As in the 2015 report, a comparison by country between the total rental market and the Access market and a summary of the USA rental market will be presented.

Find out what to expect of the Rental Industry in each country with the 2017 forecasts!



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